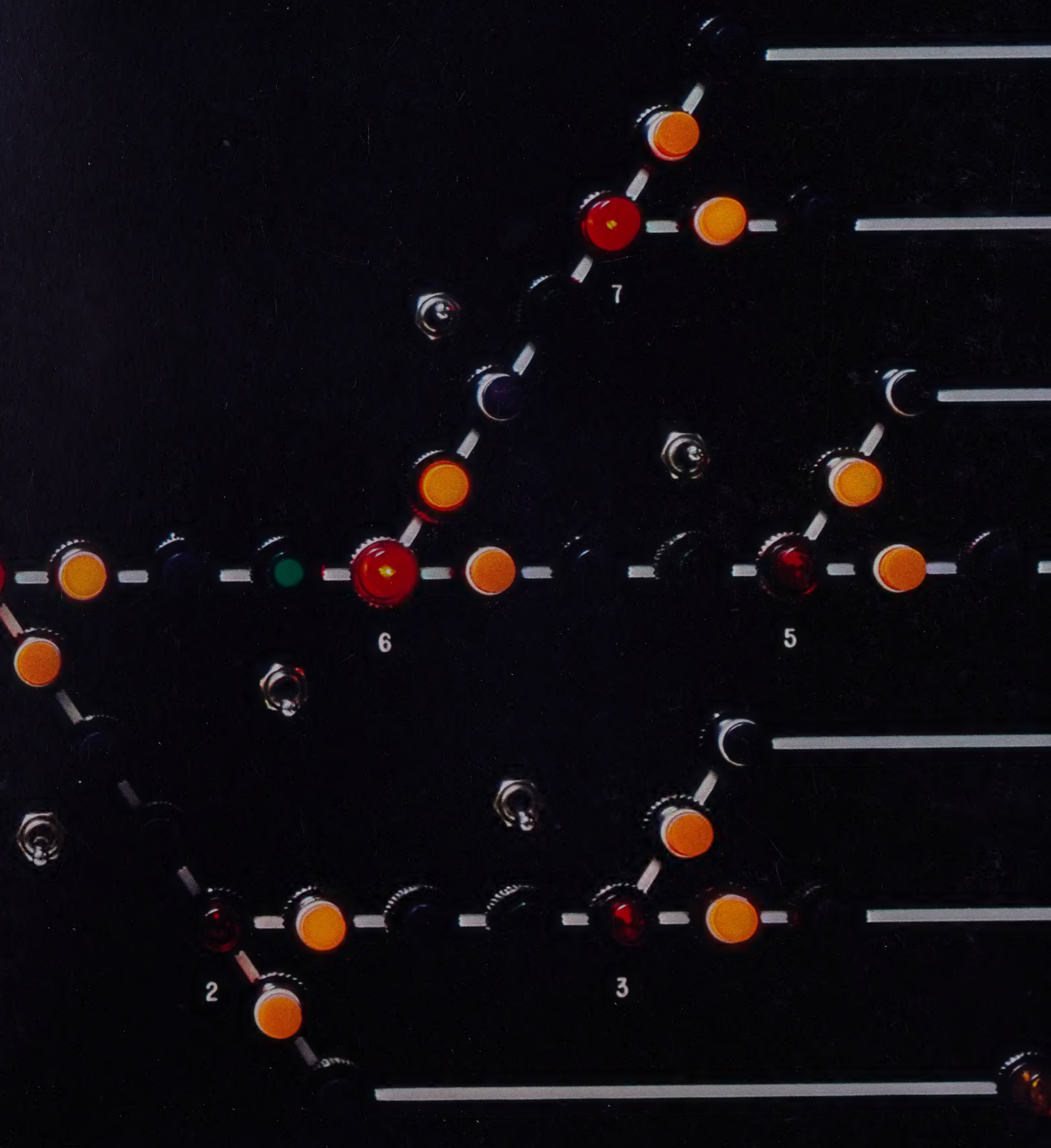
GENERAL SIGNAL

Annual Report 1976

AR35



Contents

Annual Meeting
The 1977 annual meeting of shareholders will be held at 11:00 A.M. on Friday, April 22, 1977, at 280 Park Avenue (street level), New York City.

Form 10-K
A copy of the company's fiscal 1976 Annual Report on Form 10-K, filed with the Securities and Exchange Commission, will be available after April 1, 1977. A copy of this report may be obtained by writing to the Secretary of the Corporation.

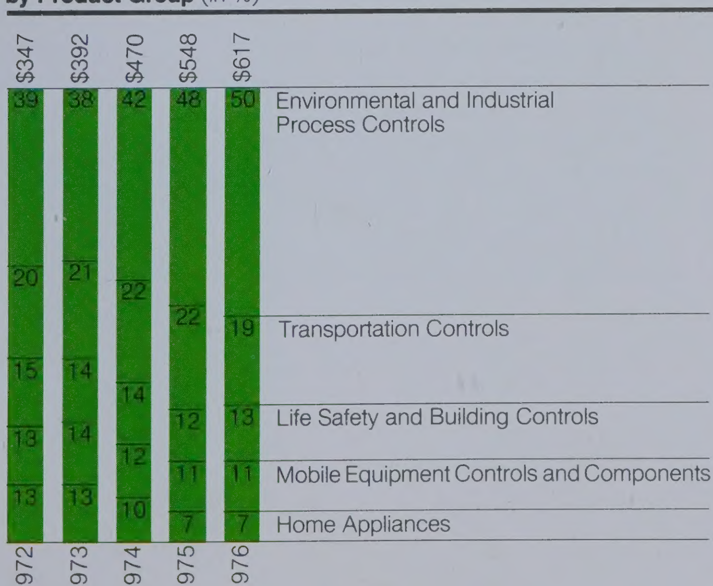
Cover
Automatic freight car classification systems supplied by General Signal typify advanced technology used by modern railroads to speed movement of vital commodities and other freight.

General Signal Annual Report 1976

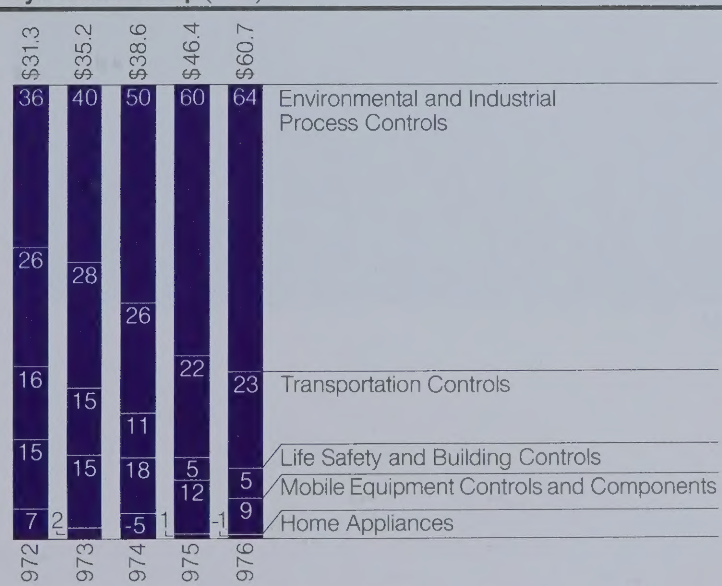
General Signal's unique position as a leading supplier of controls and related equipment used in solving many of society's most critical problems contributed to another year of excellent growth in 1976. At the same time, the year witnessed important milestones in public support for General Signal's major markets—water pollution control, railroads and rail mass transit, and life safety and property protection.

Augmenting these favorable conditions were successful programs to lower costs and improve asset management. Pretax return on sales and return on stockholders' equity rose to new highs and General Signal's strong balance sheet was further improved, providing a sound financial base for continued growth.

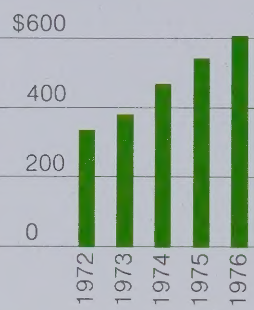
Sales Contribution by Product Group (in %)



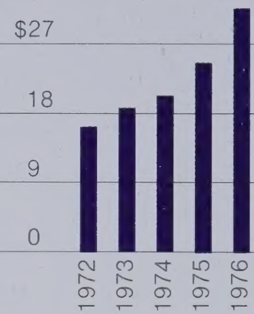
Pretax Earnings Contribution by Product Group (in %)



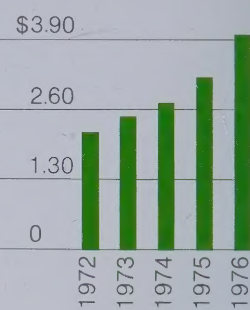
Sales
(In millions)



Net Earnings
(In millions)



Earnings Per Share



Highlights of the Year (in thousands)	1976	1975
Net Sales	$616,644	$547,733
Net Earnings	$ 31,332	$ 24,530
Earnings per Share	$4.00	$3.18
Average Common Shares	7,825	7,705
Dividends Paid per Common Share	$.84	$.76
Total Assets	$412,078	$367,711
Stockholders' Equity	$233,640	$207,374

To the Shareholders:

1976 was another record year in an almost uninterrupted succession of record years for our company. It marked the conclusion of a five-year period during which we achieved many of our corporate goals, exceeded others, and paved the way for future growth.

These goals, simply stated, are to achieve an average annual earnings growth rate of 15%, improve our return on stockholders' equity, implement cost reduction programs, and weed out low-volume, low-profit product lines. We have accomplished these goals while maintaining a strong financial position.

The past year saw sales rise to $617 million, nearly two and one-half times the level of just five years ago. Earnings per share over this same period have grown from $1.90 to $4.00 for an average annual growth rate of 16%. Return on stockholders' equity has increased from 11.0% in 1971 to 14.2% in 1976, above that of industry in general, but still below our near-term target of 15%.

Our cost reduction programs are aimed at tightening inventories, controlling accounts receivable levels, reducing material costs, and achieving greater labor efficiency and productivity. The success of these efforts helped raise the pretax returns on sales of our three product groups which emphasize markets of critical importance to our society—*environmental and industrial process controls, transportation controls* and *life safety and building controls.* Pretax earnings for these three groups climbed 38% on a 12% sales gain and pretax return on sales improved to 11% from 9% in 1975.

Our *mobile equipment controls and components* group equalled 1975 earnings despite margin pressure caused by weak conditions in the hydraulic controls market. The disappointing results of our *home appliances* group were due to a very soft market for appliances in Canada as well as costs incurred there in eliminating some product lines and consolidating manufacturing operations. These Canadian developments more than offset the improvement experienced in our U.S. markets.

Nathan R. Owen, chairman, and Harold A. Strickland, Jr., president, during inspection of Washington, D.C. area Metro for which General Railway Signal is supplying the automatic train control system.

While attaining our sales and earnings growth, we further strengthened our balance sheet in 1976, reinforcing our double-A rating. Substantially lower average debt levels enabled us to reduce interest expense from the previous year. During the year, we increased cash and short-term investments by $35 million and lowered indebtedness by $3 million for a total reduction in net debt of about $38 million. Capital expenditures of approximately $18 million, although below the 1975 level, were more than triple the sum committed in 1971.

In recent years we have also made an effort to increase our dividends in line with earnings gains without jeopardizing either our future growth or financial position. In October, 1976, the board of directors elected to raise the quarterly payment by 24% to 26 cents a share. In the past five years our dividend has increased 73% from $.60 to $1.04.

Wastewater treatment construction starts in 1976 did not move in line with the strong growth in Environmental Protection Agency grants because of engineering delays, contested contract awards, and the fiscal problems which have hampered some municipalities in obtaining their portions of construction funds.

Other developments during 1976, however, are favorable for the future of the water pollution control market. At the same time that EPA grants rose to new highs, Congress took an important step toward easing municipal financing problems by enacting a law providing for federal loan guarantees to cities borrowing money for sewage plant construction. Congress also considered and will take up again in 1977 the appropriation of substantial additional funding for the clean water program over the next several years.

Industrial spending for pollution control reached higher levels in 1976 and is expected to remain strong as industry continues to work to achieve a cleaner environment. On the other hand, demand for industrial process controls was less robust because of sluggishness in durable capital goods markets here and abroad. However, orders for these products are expected to turn up during the course of 1977.

Of significance to the transportation controls group, milestone legislation supporting the railroads was passed by Congress in recognition of our country's growing energy needs and the fact that rail is the most energy-efficient form of transportation. This points to a better outlook for an industry that had tightened its belt in 1976.

On the mass transit side, 1976 was also marked by a number of favorable developments. Funding for urban mass transit systems by the government reached record levels and greater advantage was taken by cities of provisions enabling transfer of highway funds for mass transit purposes. In addition, we received a major controls contract for the new Atlanta rail rapid transit system and witnessed the highly successful start-up of the first phase of the Washington, D.C. Metro.

We are confident about the future despite near-term economic uncertainties. We feel this way because of the dedication of our employees toward achieving higher results, our strong position in our major markets and the proven success of our internal programs to reduce costs. We expect 1977 to be another good year for General Signal.

Nathan R. Owen

Chairman

Harold A. Strickland

President

Product Group Highlights

Environmental and Industrial Process Controls	**Primary Markets:** Municipal and industrial water/wastewater treatment; industrial processing. Products are sold by the company's own sales organization and by manufacturers' representatives and distributors to contractors, government agencies and industrial and agricultural users. **Products:** Instrumentation and controls, telemetering and supervisory control systems, primary flow elements, chemical feeders and weighers, metering pumps, valves and actuators, sludge treatment systems, wet waste disintegrators, effluent samplers, diatomite filters; mechanical mixers, aerators, flocculators; biological waste treatment systems; centrifugal, wastewater, regenerative turbine, vertical turbine and high-vacuum pumps and pump systems; specialty air pollution control equipment; consistency transmitters and mass rate meters; pressure and vacuum gauges, thermometers and needle valves; chemical additives and corrosion control materials.
Transportation Controls	**Primary Markets:** Railroads, rail mass transit systems, airports and ships. Products are sold through the company's own sales organization to railroads, government agencies and shipbuilders. **Products:** Cab, wayside and centralized traffic control components and systems, pushbutton interlocking controls, operational display subsystems, signaling and protective appliances, radio remote controls; pneumatic, electro-pneumatic and electro-pneumatic/hydraulic braking systems and components, propulsion/braking control systems, transit car couplers, railway car undercarriages; radar navigation, detection and identification subsystems, aircraft navigation aids, ground weather monitoring systems and microwave telephone repeater stations; interior shipboard communication systems and propulsion controls.
Life Safety and Building Controls	**Primary Markets:** Institutional, commercial, industrial and residential buildings. Products are sold by the company's sales force and manufacturers' representatives to electrical wholesale distributors, original equipment manufacturers, commercial and industrial users, and contractors. **Products:** Fire, smoke, intrusion and electrical malfunction detection and signaling components and systems; school and hospital communications and patient-monitoring systems; time recording and automatic parking lot control systems; power distribution components.
Mobile Equipment Controls and Components	**Primary Markets:** Heavy-duty mobile construction, mining, materials handling and agricultural equipment; aircraft; automobiles and trucks. Most sales are made directly to original equipment manufacturers. **Products:** Hydraulic gear pumps and motors, piston pumps and directional control valves; load sensing systems, hydrostatic transmissions and advanced fluid power systems; vehicular steering and suspension components.
Home Appliances	**Primary Markets:** Large and small retail outlets, including private label suppliers, catalog houses and electric appliance manufacturers. Sales are largely conducted by the company's own sales organization and commission agents. **Products:** In the U.S.—small horsepower electric motors and Regina electric floor care appliances, including Electrikbroom® vacuum cleaners and rug shampooer/floor polishers. In Canada—personal care and kitchen appliances, in addition to Regina products.

Environmental and Industrial Process Controls

The environmental and industrial process controls group again produced an outstanding performance in 1976. Sales rose 17% to a record level and accounted for 50% of total corporate sales compared with 32% just five years ago. Improved margins resulted in an even greater increase in the group's pretax income.

Much of the 1976 gains are attributable to increased shipments to pollution control markets, particularly municipal wastewater treatment. The industrial wastewater treatment market was also buoyant as industry boosted capital expenditures for this purpose by an estimated 33% to $3.2 billion. Shipments to other markets, primarily general industrial processing and agriculture, also exceeded 1975 levels.

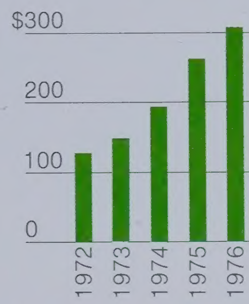
Developments in federal funding for municipal wastewater treatment continued to foreshadow strong growth in this market in the coming years. Environmental Protection Agency grants for wastewater treatment plant construction in fiscal 1976 rose to the unprecedented level of $4.3 billion, as compared with $3.6 billion in the prior year, and a further rise to $6 billion is expected in fiscal 1977.

Despite these substantial increases in federal commitments, actual shipments of equipment to the municipal wastewater treatment market are unlikely to expand in 1977 at the rate achieved last year. Wastewater treatment construction starts failed to keep pace with EPA grants due to engineering delays and disputes over contract awards, as well as to the difficulty experienced by some municipalities in raising matching funds.

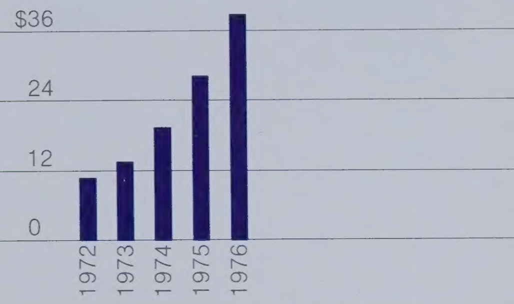
This latter problem should be alleviated as a result of legislation passed by the 94th Congress in its closing weeks providing federal loan guarantees to municipalities for the financing of their share of sewage treatment plant construction costs. During the year, Congress also passed the Public Works Bill which makes $700 million available to the states for construction of water pollution control facilities. While the 94th Congress failed to agree on a bill appropriating additional funding for water pollution control over the next three years, new legislation—which could provide for as

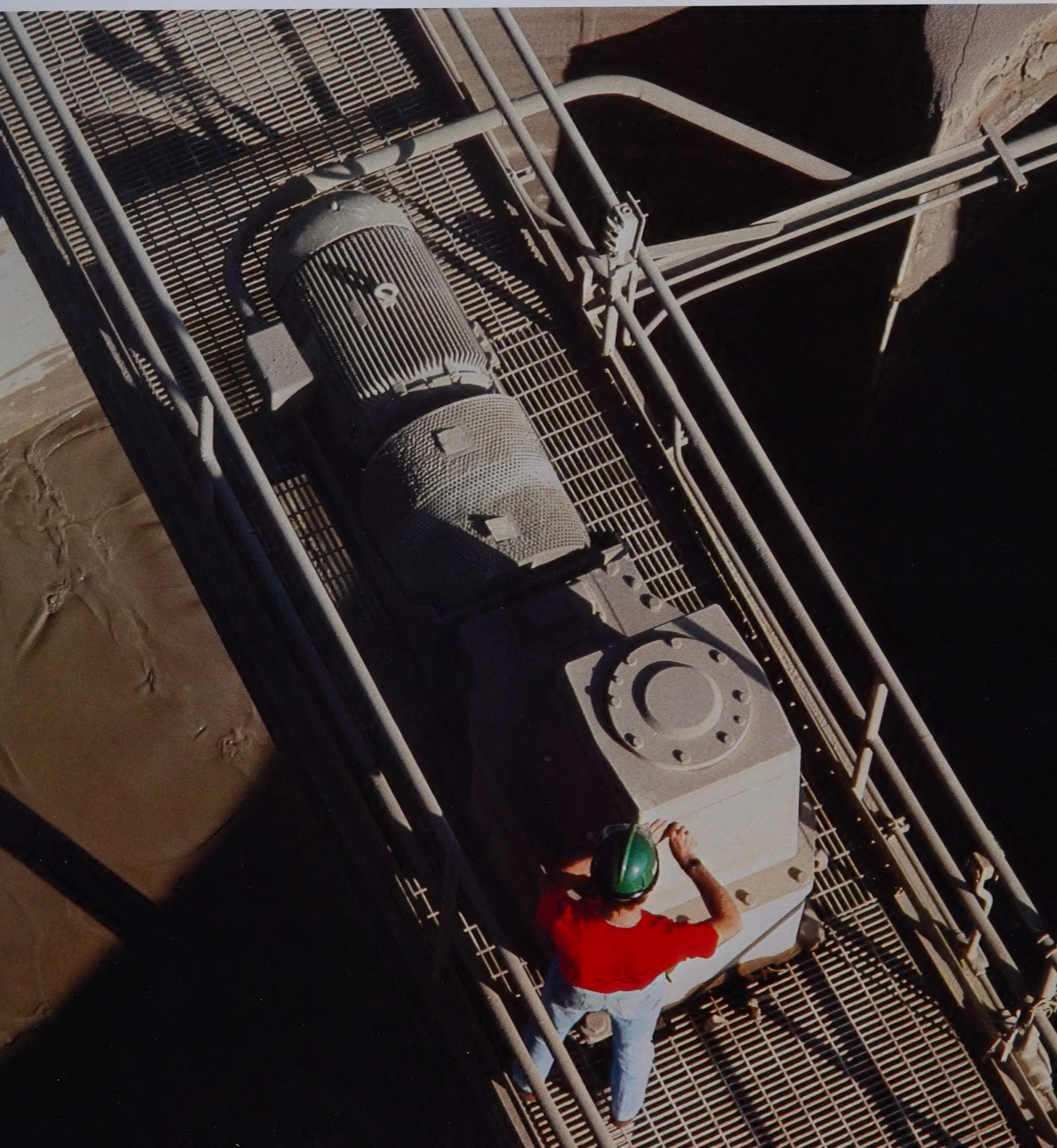
Slurry agitator is one of a number of Lightnin® units on digestor and reactor tanks aiding in the production of fertilizer at Agrico Chemical Company's Faustina Works in Donaldsonville, La., the world's largest phosphoric acid fertilizer plant. Lightnin systems are employed at seven of nine major phosphoric acid fertilizer plants built in the U.S. in the last three years.

Sales
(In millions)



Pretax Earnings
(In millions)





Environmental and Industrial Process Controls (continued)

much as $17 billion in funding—is expected to be taken up again in 1977.

With increasing attention being devoted to advanced wastewater treatment, demand for more sophisticated and specialized equipment on the part of municipalities has been in a marked uptrend. General Signal is in the forefront in supplying such equipment and received major new orders during 1976 for tertiary treatment facilities, including process equipment and controls for plants in Tampa, Fla., Chicago, Ill. and Prince William County, Va.

In the air pollution control market, Ceilcote's unique Ionizing Wet Scrubber system continued to gain acceptance as orders were received for installations at major manufacturing complexes throughout the U.S. The demand for this system stems from its ability to remove fine particulates as well as noxious and odorous gases and to operate on less energy than other scrubbers. Mounting concern over the nation's energy supply has boosted sales of DeZurik's specialty valves for air scrubber systems in fossil-fuel power generating plants.

To meet the growing demand in both wastewater treatment and industrial process markets, the Mixing Equipment unit opened a new plant in October which will utilize the most advanced production machinery and techniques to manufacture speed reducers for its Lightnin® mixers and aerators. Including this addition, General Signal has added nearly three quarters of a million square feet of capacity during the past two years to support the expansion of the environmental and industrial process controls group.

The group's excellent performance should continue in 1977. Sales to pollution control markets will continue at high levels and recently sluggish demand for general industrial processing equipment should show improvement as the year progresses.

Ceilcote's Ionizing Wet Scrubber at near right, winner of *Chemical Process* magazine's Vaaler Award, efficiently removes submicron particulates, noxious gases and other pollutants from incinerator flue gases at a major General Electric manufacturing plant.

For an advanced wastewater treatment facility located in Arlington County, Va., BIF supplied filter control systems, supervisory controls and butterfly valves for the automatic backwash and filtration processes. Six consoles (far right) monitor flow and control the air/water wash systems.


BIF

Transportation Controls

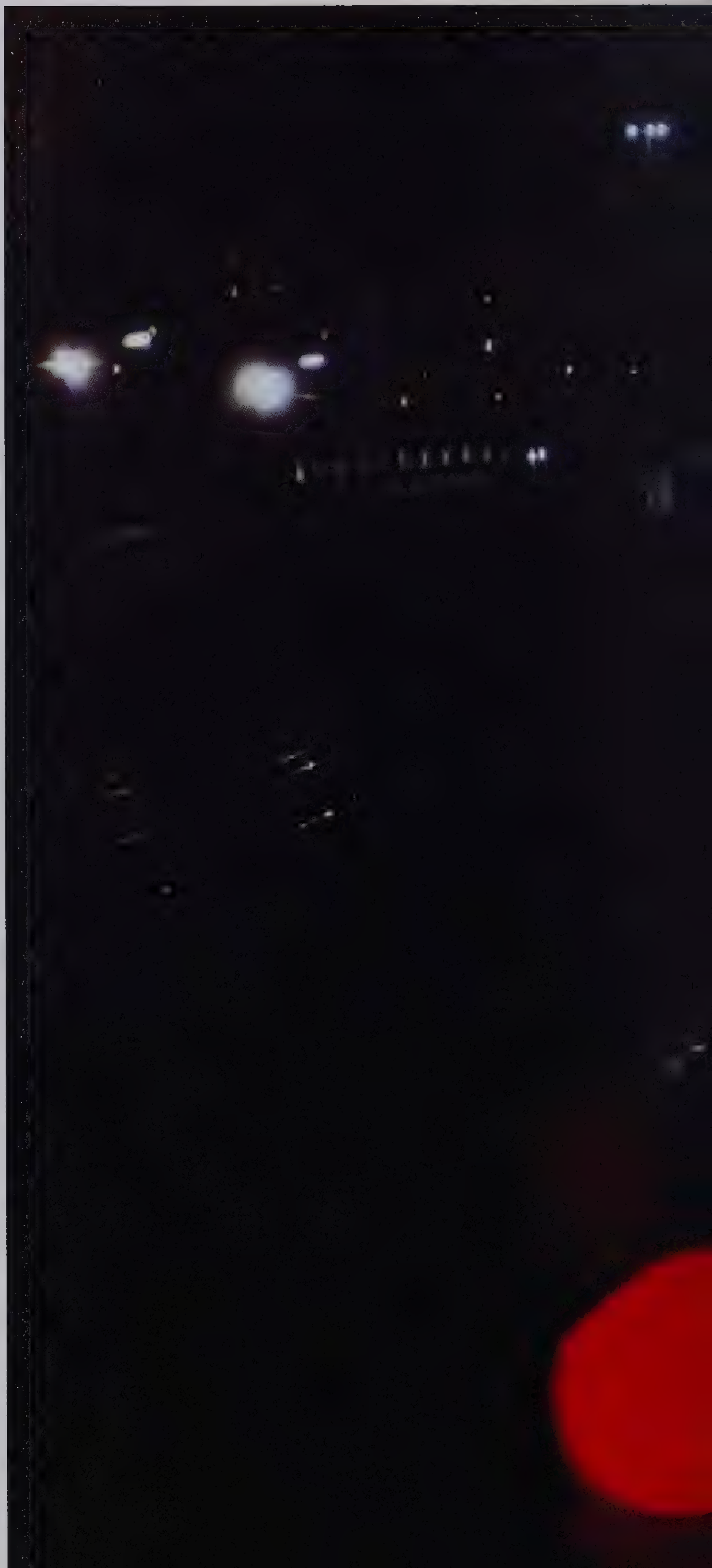
Following two years of modest improvement, the transportation controls group registered substantial earnings growth in 1976 as pretax profit margins rose to the highest level in three years. The gain reflected the lessening impact of inflation on fixed-price, long-term rail mass transit contracts and the benefit of corporate profit improvement programs which together more than offset the effect of a small reduction in group sales.

The sales decline was attributable to weak demand from the group's principal customer, the railroads. Overall capital spending by the railroads in 1976 is estimated to have dropped about 8% from the level of the previous year, and deliveries of freight cars declined even more sharply—from 74,500 in 1975 to 53,000 in 1976.

The 1976 decrease in spending by U.S. railroads stemmed, in part, from the very poor profit performance of the industry in 1975. Railroad profitability rose sharply during 1976 and this is expected to produce a good increase in purchases of railroad equipment in 1977.

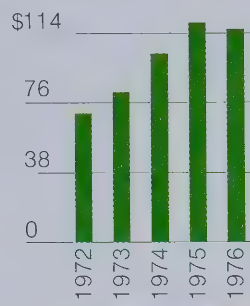
During 1976, the railroads witnessed a number of developments favoring the longer term growth of the industry. Comprehensive legislation passed by Congress during the year went a long way toward equalizing assistance to the rail segment of the transportation industry and reflects continuing recognition of the important energy-saving advantage of rail. The Railroad Revitalization and Regulatory Reform Act, signed in February, provides a total of $6.4 billion for aid to ConRail, upgrading of commuter lines, improvements to the Northeast Corridor, and operating subsidies for Amtrak.

For the mass transit sector, 1976 was a year of record-high federal support. Urban Mass Transit Administration grants increased to nearly $2 billion from $1.1 billion in fiscal 1975, including several hundred million dollars in Interstate Highway Funds redirected to mass transit projects under the provisions of the 1973 Federal Aid Highway Act. For fiscal 1977, $2.5 billion has been appropriated by UMTA.

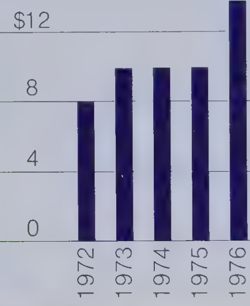


General Railway Signal computerized system at Burlington Northern's Northtown Yard, a consolidation of eleven yards in the Minneapolis area, operates around the clock and automatically reclassifies more than 3,000 freight cars per day, according to destination, on 63 tracks.

Sales
(In millions)



Pretax Earnings
(In millions)



Transportation Controls (continued)

This federal support generated significant new business for the group in 1976. General Railway Signal was awarded a $28.8 million contract to furnish and install the automatic train control system and car automation equipment for the first phase of the Atlanta rail rapid transit system. This followed the successful start-up of the first 4.5-mile segment of the Washington, D.C. Metro in March, for which the company is supplying the automatic train controls on the first 36 miles of the proposed 98-mile network. New York Air Brake received an order to supply truck assemblies and braking systems for 49 additional Amtrak bi-level cars, having received the initial equipment order for 235 bi-level cars in 1975. Looking ahead, Amtrak recently made public a five-year plan providing for the purchase of 638 passenger cars, including 153 bi-level cars between 1978 and 1981.

In addition, considerable activity was directed toward the upgrading of control systems for mainline railroads in 1976. Among the important orders received by General Railway Signal were contracts totalling $5.1 million to supply automated freight car classification systems and controls for the Union Pacific's Hinkle Yard in Oregon and the Southern Pacific's Strang Yard near Houston, and a centralized traffic control system for the Kansas City Southern Railway.

In the international market, GEC-General Signal Ltd., a 50%-owned affiliate of General Signal, recently was awarded a contract totalling approximately $34 million to supply the complete signaling and control system for a Brazilian steel railroad. The company earlier in the year received an $11 million signaling and controls contract for high-speed train operations in Scotland.

Air traffic controls business was bolstered by orders totalling approximately $7.5 million to supply distance measuring equipment and instrument landing systems to the Federal Aviation Administration and a major contract for 18 radar systems for the Canadian government.

1977 should see increasing demand for the products of the transportation controls group. Growth is expected to continue in the mass transit market and equipment purchases by the mainline railroads should rise in line with industry projections for a considerable gain in capital spending.

New York Air Brake truck assembly and brake system undergoes a thorough check during construction of the first of 284 bi-level coach, sleeper, dining, sightseeing and coach/baggage cars being built for Amtrak by Pullman-Standard.


001

Life Safety and Building Controls

For the life safety and building controls group, 1976 was a year of improvement from the depressed performance of the prior year and of further progress in restructuring operations and product lines for the future.

Although non-residential construction—a major market for the group—declined moderately during the year, a substantial gain in residential construction, stricter local fire safety codes and success in increasing market share generated increased shipments of the group's fire emergency communications systems, ionization smoke detectors and specialized electrical fittings.

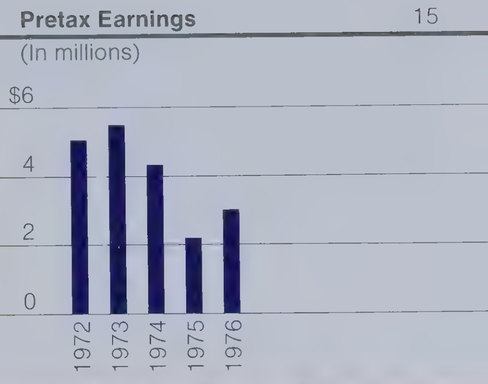
The substantial gain in earnings reflected the weeding out of less profitable product lines and improved operating efficiency and asset management. These factors more than offset the cost of retooling production for photoelectric smoke detectors which are designed to meet the latest fire safety standards and to enhance the group's market penetration.

New product introductions in 1976 and 1977 should further increase the group's share of major markets over the near- and medium-term. A battery-operated employee time recorder is expected to meet with good demand as are a new line of economy parking lot control systems and an automatic parking lot revenue control system which will be added in 1977. Fire emergency communications systems employing advanced technology will also be introduced, along with a unique fire seal for electric cable passing through walls, an expansion of the group's explosion-proof fittings line, an elapsed time payroll system, the new line of residential smoke detectors and other fire and safety products aimed at broadening the group's product line.

A number of factors point to continued gains for the group in 1977. The F.W. Dodge organization projects an upturn of approximately 10% in non-residential construction starts, and residential construction is expected to continue in an uptrend. With ongoing programs to introduce new products, eliminate less promising ones, reduce costs, and strengthen marketing and distribution, the group is well-situated to benefit from the expected improvement in its markets.

Engineer checks Edwards combined automatic heat and smoke detection system and two-way fire emergency communications system at modern, ten-story, 244-room hotel located on the New Jersey Turnpike in Mt. Laurel, N.J.


Sales
(In millions)
$75
50
25
0
1972
1973
1974
1975
1976


Pretax Earnings
(In millions)
$6
4
2
0
1972
1973
1974
1975
1976

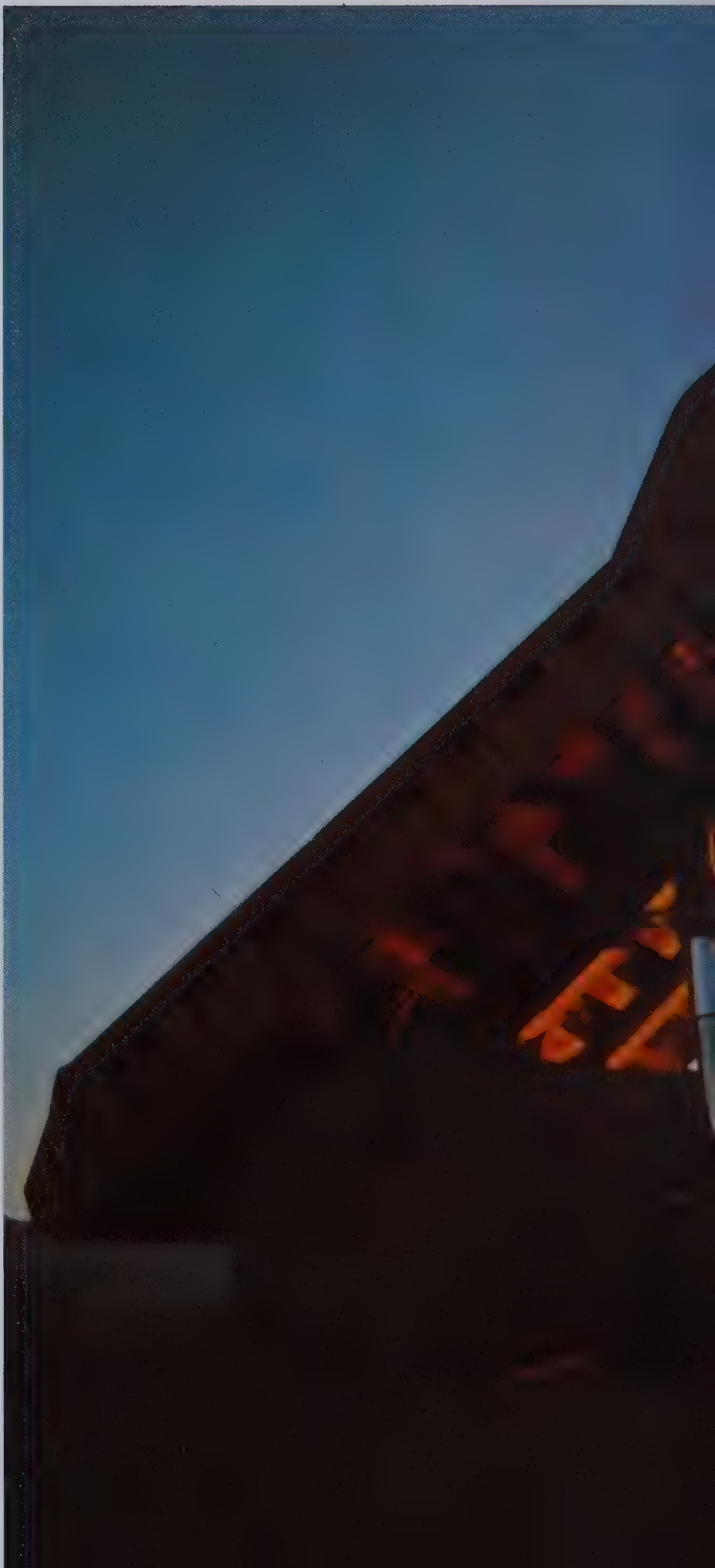
Mobile Equipment Controls and Components

1976 was a year of contrasting market trends and mixed operating results for the mobile equipment controls and components group.

An upturn in sales of automobiles and trucks from depressed 1975 levels created strong demand for cold-forged components. However, this was partially offset by substantially reduced demand for hydraulic controls for heavy off-the-road machinery and materials handling equipment, reflecting weak construction markets and sluggish industrial capital spending. Although the market for hydraulic controls was depressed in 1976, sales to the mining machinery market and sales of Dynapower® hydrostatic transmissions to the farm machinery market, particularly for large combines, ran counter to the trend. In addition, sales outside the U.S. picked up in the latter part of the year.

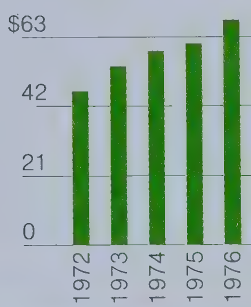
Although earnings were flat for the year, programs aimed at improving profitability through better cost control and asset management proved successful, resulting in increased operating and labor efficiency. At the same time, considerable headway was made in streamlining the hydraulics product line and in reorganizing and upgrading hydraulics distribution.

In 1977, anticipated upturns in industrial spending and the level of construction activity—12% as forecast by F.W. Dodge "Construction Potentials"—should benefit demand for hydraulic controls from producers of construction and materials handling equipment. In addition, demand from the mining machinery market should remain firm and requirements for agricultural machinery are expected to increase. Aided by a continuing strong market for automotive components in line with a projected moderate gain in automobile demand, group sales and earnings should improve in 1977.

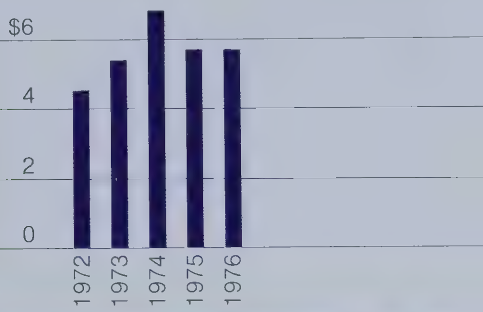


Hydreco hydraulic equipment helps control front and rear steering and the raising and lowering of the body for General Motors' 67-foot long, 350-ton capacity TEREX Titan, the world's largest dump-truck, undergoing field testing at Kaiser Steel Corporation's Eagle Mountain California iron ore mine.

Sales
(In millions)

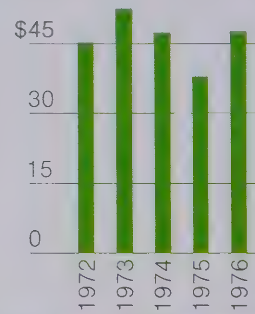


Pretax Earnings
(In millions)

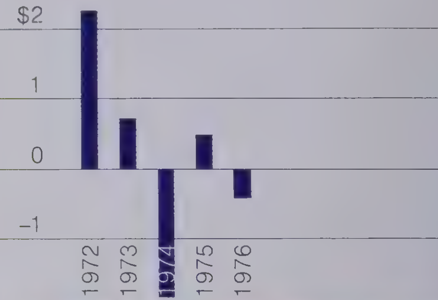


Home Appliances

Sales
(In millions)



Pretax Earnings
(In millions)



Although sales and earnings for the home appliances group in the U.S. returned to more normal levels during the year, adverse factors in Canada resulted in an overall loss for the group in 1976.

In line with the gradual return of consumer confidence, purchases of consumer durables increased in the U.S. Aided by a successful national TV advertising campaign, sales of the Regina Electrikbroom® were buoyant, enabling this popular line of lightweight vacuum cleaners to improve its strong market position. This, plus increased shipments of small electric motors and expanded international business, resulted in significant volume increases despite relatively level sales to private label and catalog customers.

These gains in sales, however, were not translated into higher earnings for the group in 1976. Weak market conditions in Canada, after a show of strength in the first quarter, caused a significant decline in the performance of our operations there. After reflecting costs in connection with steps taken to improve the results of our Canadian appliance unit, including the consolidation of certain manufacturing operations and the elimination of unprofitable product lines, the group reported a loss for the year.

For 1977, an improvement in the general economy should translate into increased consumer confidence and spending, stimulating a rise in sales of the group's floor care appliances and appliance motors. This, coupled with more stringent controls in manufacturing processes, more efficient labor utilization, reduction in inventories and receivables, and the results of the Canadian reorganization, should enable the group to return to more normal levels of profitability.

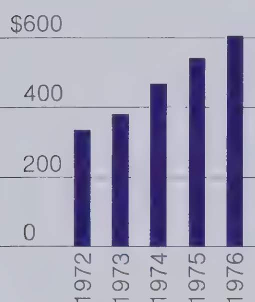
Production of Regina's popular Electrikbroom® vacuum cleaner has been increased to meet growing consumer demand for this versatile, lightweight floor care appliance.

Management's Discussion and Analysis of the Summary of Operations

Five-Year Charts

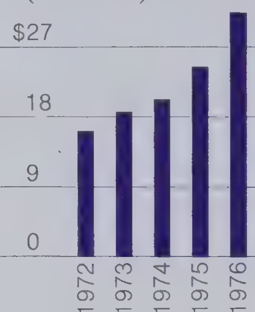
Sales

(In millions)

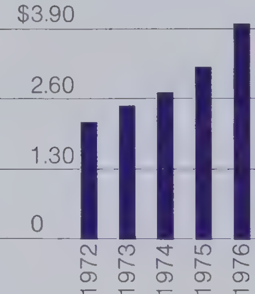


Net Earnings

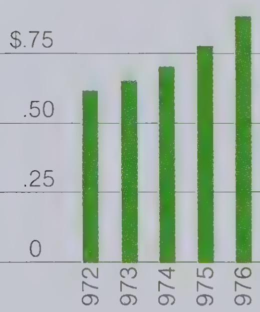
(In millions)



Earnings Per Share



Dividends Per Share



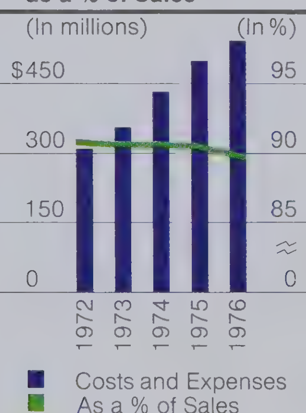
Assets

(In millions)

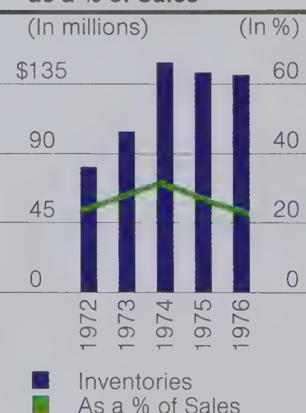
Return on Equity

(In %)

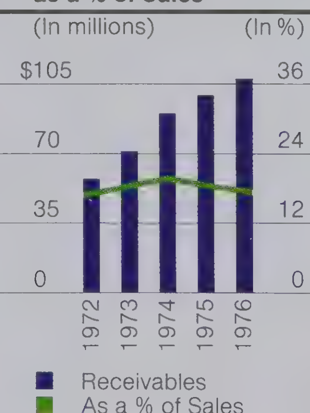
Costs and Expenses as a % of Sales



Inventories as a % of Sales



Receivables as a % of Sales



Management's Discussion and Analysis of the Summary of Operations

Net Sales

Sales increased by $69 million to $617 million in 1976, a gain of 13%, following a 16.5% increase in 1975 to $548 million. The three General Signal product groups which emphasize markets of critical importance to our society—environmental and industrial process controls, transportation controls and life safety and building controls—accounted for 81% of total sales, or $502 million, an increase of 11.8% over the 1975 level of $449 million. More than $53 million or 77% of the increase in 1976 was a result of higher shipments of systems and controls for water pollution control, industrial processing and life safety and property protection. The transportation controls group experienced a slight decline in sales. Sales for 1976 benefited from the inclusion of The Ceilcote Company, acquired in July 1975. Since this acquisition was treated as a purchase for accounting purposes, sales of The Ceilcote Company for the first six months of 1975 were not included in General Signal's reported results.

Costs and Expenses

Cost of sales and operating expenses along with selling, general and administrative expenses amounted to $552 million in 1976 compared with $495 million in 1975, an increase of 12%. As a percent of sales, these expenses declined to 89.4% from 90.4% and 90.5% in 1975 and 1974, respectively. These lower costs resulted from the company's continuing cost reduction and asset management programs, coupled with increased efforts to eliminate marginal product lines.

Interest Expense

Interest expense in 1976 declined by 28% to $4.5 million from $6.1 million in both 1975 and 1974. This is directly related to a reduction in outstanding indebtedness as a result of programs which have continued to lower net debt. In 1974, the company publicly sold $40 million in double-A rated, 25-year, 8 7/8% sinking fund debentures.

Quarterly Data

Earnings (in thousands)	First Quarter 1976	First Quarter 1975	Second Quarter 1976	Second Quarter 1975	Third Quarter 1976	Third Quarter 1975	Fourth Quarter 1976	Fourth Quarter 1975
Net sales	$153,492	$125,600	$161,228	$137,591	$143,390	$136,275	$158,534	$148,267
Earnings before taxes	11,904	9,436	14,882	10,966	15,169	11,499	18,704	14,471
Net earnings	6,243	4,978	7,840	5,793	7,891	6,069	9,358	7,690
Earnings per share	$.80	$.65	$1.00	$.76	$1.01	$.78	$1.19	$.99
Average common shares outstanding	7,803	7,617	7,817	7,618	7,829	7,790	7,850	7,796
Dividends paid	21.0¢	19.0¢	21.0¢	19.0¢	21.0¢	19.0¢	21.0¢	19.0¢

Market price range of common stock	High	Low	High	Low	High	Low	High	Low
1976	$45⅞	$34¼	$50	$39⅜	$56⅞	$40	$54	$49⅛
1975	$37	$23⅞	$41½	$34½	$42⅜	$31¾	$39	$33⅛

Provision for Taxes

Taxes increased to $29.3 million in 1976 from $21.8 million in 1975. The company's effective tax rate increased to 48.3% in 1976 from 47.1% and 46.6% in 1975 and 1974, respectively. See note 3 of the Notes to Financial Statements.

Net Earnings

Net earnings increased 28% to $31.3 million in 1976 following an 18.8% increase in 1975 to $24.5 million. The environmental and industrial process controls group continued its strong profit contribution of prior years, aided by the substantial improvements recorded in 1976 by the transportation controls and life safety and building controls groups. Profits declined in the home appliances group as a result of adverse factors in Canadian markets and consolidation of marginal product lines, and results for the mobile equipment controls and components group remained unchanged due to weakened conditions in the hydraulic controls market.

Fourth quarter 1976 profit margins were substantially higher than in the three previous quarters. This was caused by significantly lower expense levels as a result of cost reduction programs and the effects of phasing out low-profit product lines.

Product Group Five-Year Review

(in thousands)	1976	1975	1974	1973	1972
Net sales					
Environmental & industrial process controls	$307,200	$261,800	$196,100	$148,400	$134,100
Transportation controls	116,400	119,100	102,700	81,500	71,000
Life safety and building controls	78,500	68,100	66,200	55,900	50,600
Mobile equipment controls & components	67,100	60,500	58,200	53,800	46,100
Home appliances	47,400	38,200	47,100	52,500	45,500
Total	$616,600	$547,700	$470,300	$392,100	$347,300
Profits before taxes					
Environmental & industrial process controls	$ 38,700	$ 28,100	$ 19,300	$ 13,900	$ 11,500
Transportation controls	13,700	10,000	9,900	9,800	8,000
Life safety and building controls	3,000	2,100	4,300	5,400	5,000
Mobile equipment controls & components	5,700	5,700	6,800	5,400	4,600
Home appliances	(400)	500	(1,700)	700	2,200
Total	$ 60,700	$ 46,400	$ 38,600	$ 35,200	$ 31,300

Note: Amounts shown have been restated, wherever necessary, to reflect 1972 and 1973 poolings of interests.

Capital Expenditures

Expenditures for plant and equipment in 1976 and 1975 were $17.8 million and $19.8 million, respectively. This is well above depreciation expenses of $11.3 million in 1976 and $9.7 million in 1975. Total expenditures in the last three years amounted to $55 million and were largely in support of the company's business in systems and controls for water pollution control, industrial processing, railroads, rail mass transit and life safety and building protection.

Dividends

In October 1976, the quarterly dividend was increased 24% to 26 cents per share, equal to $1.04 on an annual basis. In the past three years, the company's dividend has increased 49% from 70 cents annually to $1.04.

Five-Year Financial Summary

	1976	1975	1974	1973	1972
Operating data (in thousands)					
Net sales	$616,644	$547,733	$470,278	$392,122	$347,328
Costs and expenses:					
Cost of sales and operating expenses	436,248	395,762	338,631	279,470	248,262
Selling, general and administrative expenses	115,256	99,478	86,906	75,321	66,833
Interest expense	4,481	6,121	6,097	2,086	949
	555,985	501,361	431,634	356,877	316,044
Earnings before income taxes	60,659	46,372	38,644	35,245	31,284
Provision for income taxes	29,327	21,842	17,999	16,252	14,846
Net earnings	31,332	24,530	20,645	18,993	16,438
Dividend requirement on Series A preferred	—	—	—	—	1,246
Net earnings applicable to common stock	$ 31,332	$ 24,530	$ 20,645	$ 18,993	$ 15,192
Earnings per average share of common stock	$ 4.00	$ 3.18	$ 2.71	$ 2.51	$ 2.40
Fully-diluted earnings per share*	$ 4.00	$ 3.18	$ 2.71	$ 2.51	$ 2.18
Average common shares outstanding	7,825	7,705	7,612	7,575	6,334
Dividends declared per common share	$ .89	$ .78	$ .715	$ .66	$ .63
Balance sheet data (in thousands)					
Working capital	$181,346	$168,970	$157,081	$109,837	$ 92,920
Current ratio	2.5x	2.8x	2.5x	2.3x	2.6x
Net property, plant and equipment	$100,407	$ 95,295	$ 82,942	$ 75,361	$ 63,451
Capital expenditures	17,826	19,842	17,560	19,522	11,325
Depreciation and amortization	11,269	9,706	8,508	7,590	7,607
Total assets	412,078	367,711	351,299	274,328	220,362
Long-term debt	41,696	50,931	56,107	15,995	899
Stockholders' equity	$233,640	$207,374	$183,940	$168,146	$153,005
Return on stockholders' equity	14.2%	12.5%	11.7%	11.8%	12.4%
Book value per share	$ 29.75	$ 26.59	$ 24.16	$ 22.20	$ 20.27
Other data					
Total shareholders	7,419	7,839	7,631	7,687	7,801
Total employees	14,556	14,408	14,503	14,361	12,839

*All figures assume full conversion of preferred stock. Since substantially all Series A preferred stock was converted prior to 1972 year end, comparisons should be made on this basis for purposes of consistent measurement.

Note: Amounts shown have been restated, wherever necessary, to reflect 1972 and 1973 poolings of interests.

Consolidated Financial Statements

Balance Sheet

General Signal Corporation and Consolidated Subsidiaries

Assets	December 31,	1976	1975
	Current Assets:		
	Cash and certificates of deposit	$ 39,756,000	$ 16,381,000
	Short-term investments, at cost, which approximates market	11,929,000	—
	Accounts receivable, principally trade and contract, less allowance—1976, $3,969,000; 1975, $4,294,000	107,042,000	98,923,000
	Inventories:		
	Raw materials, purchased parts and work in process	88,608,000	87,984,000
	Finished goods	53,914,000	58,426,000
		142,522,000	146,410,000
	Prepaid expenses	1,646,000	1,541,000
	Total Current Assets	302,895,000	263,255,000
	Property, Plant and Equipment, at cost:		
	Land	4,004,000	3,996,000
	Buildings and leasehold improvements	50,774,000	49,631,000
	Machinery and equipment	118,345,000	110,047,000
		173,123,000	163,674,000
	Less allowance for depreciation and amortization	72,716,000	68,379,000
	Net property, plant and equipment	100,407,000	95,295,000
	Investments and Other Assets	8,776,000	9,161,000
		$412,078,000	$367,711,000

See accompanying notes to financial statements

Liabilities and Stockholders' Equity December 31,	1976	1975
Current Liabilities:		
Notes payable	$ 12,017,000	$ 6,026,000
Accounts payable	31,085,000	29,676,000
Accrued expenses	59,887,000	44,248,000
Income taxes (note 3)	18,560,000	14,335,000
Total Current Liabilities	121,549,000	94,285,000
Long-Term Debt (note 4)	41,696,000	50,931,000
Other Non-Current Liabilities (note 3)	15,193,000	15,121,000
Total Liabilities	178,438,000	160,337,000
Stockholders' Equity (notes 5 and 6):		
Cumulative preferred stock, par value $5.00 per share Authorized 2,000,000 shares		
Common stock:		
Authorized 20,000,000 shares; issued 7,876,000 in 1976 and 7,838,000 in 1975, at stated value	18,986,000	18,949,000
Additional paid-in capital	46,701,000	44,985,000
Retained earnings	168,152,000	143,786,000
	233,839,000	207,720,000
Less common stock in treasury, 22,000 in 1976 and 40,000 in 1975, at cost	199,000	346,000
Total Stockholders' Equity	233,640,000	207,374,000
	$412,078,000	$367,711,000

See accompanying notes to financial statements

Statement of Earnings

General Signal Corporation and Consolidated Subsidiaries

Years Ended December 31,	1976	1975
Net sales	$616,644,000	$547,733,000
Costs and Expenses:		
Cost of sales and operating expenses	436,248,000	395,762,000
Selling, general and administrative expenses	115,256,000	99,478,000
Interest expense	4,481,000	6,121,000
	555,985,000	501,361,000
Earnings before income taxes	60,659,000	46,372,000
Provision for U.S., foreign and state and local income taxes (note 3)	29,327,000	21,842,000
Net Earnings	$ 31,332,000	$ 24,530,000
Earnings per Average Share of Common Stock	$4.00	$3.18

See accompanying notes to financial statements

Statement of Stockholders' Equity

General Signal Corporation and Consolidated Subsidiaries

Years Ended December 31, 1976 and 1975	Common Stock	Additional Paid-in Capital	Retained Earnings	Common Stock in Treasury
Balance at December 31, 1974	$18,767,000	$40,215,000	$125,269,000	$(311,000)
Net earnings			24,530,000	
Dividends declared—$.78 per share			(6,013,000)	
Exercise of stock options (note 6)	10,000	207,000		
Common stock issued for purchased company (note 2)	172,000	4,563,000		
Transactions in treasury stock (note 5)				(35,000)
Balance at December 31, 1975	$18,949,000	$44,985,000	$143,786,000	$(346,000)
Net earnings			31,332,000	
Dividends declared—$.89 per share			(6,966,000)	
Exercise of stock options (note 6)	16,000	443,000		
Issuance of common stock to Savings and Stock Ownership Trust (note 7)	21,000	1,183,000		46,000
Transactions in treasury stock (notes 2 and 5)		90,000		101,000
Balance at December 31, 1976	$18,986,000	$46,701,000	$168,152,000	$(199,000)

See accompanying notes to financial statements

Statement of Changes in Financial Position

General Signal Corporation and Consolidated Subsidiaries

	Years Ended December 31,	1976	1975
Resources Provided:	Resources provided from operations:		
	Net earnings	$31,332,000	$24,530,000
	Add items not causing inflow or outlay of current period working capital, principally depreciation and amortization (note 1)	12,760,000	9,730,000
	Total resources provided from operations	44,092,000	34,260,000
	Sale and retirement of property, plant and equipment	1,445,000	253,000
	Issuance of common stock to Savings and Stock Ownership Trust (note 7)	1,250,000	—
	Issuance of common stock in exchange for purchased company (note 2)	—	4,735,000
	Increase (decrease) in other non-current liabilities	(821,000)	6,259,000
	Total resources provided	$45,966,000	$45,507,000
Resources Applied:	Additions to property, plant and equipment:		
	Capital expenditures	$17,826,000	$19,680,000
	Net fixed assets of purchased company (note 2)	—	2,590,000
	Retirement of long-term debt (note 4)	9,235,000	5,176,000
	Dividends declared	6,966,000	6,013,000
	Other increase (decrease)	(437,000)	159,000
	Increase in working capital	12,376,000	11,889,000
	Total resources applied	$45,966,000	$45,507,000
Changes in Working Capital:	Increase (decrease) in current assets:		
	Cash and certificates of deposit	$23,375,000	$ 405,000
	Short-term investments	11,929,000	—
	Accounts receivable	8,119,000	8,756,000
	Inventories	(3,888,000)	(6,611,000)
	Prepaid expenses	105,000	469,000
		39,640,000	3,019,000
	Decrease (increase) in current liabilities:		
	Notes payable	(5,991,000)	12,485,000
	Accounts payable	(1,409,000)	3,408,000
	Accrued expenses	(15,639,000)	(11,239,000)
	Income taxes	(4,225,000)	4,216,000
		(27,264,000)	8,870,000
	Increase in working capital	$12,376,000	$11,889,000

See accompanying notes to financial statements

Notes to Financial Statements

General Signal Corporation and Consolidated Subsidiaries

Years Ended December 31, 1976 and 1975

1. Summary of Significant Accounting Policies and Related Matters

Consolidation: The financial statements include the accounts of the Company and its foreign and domestic subsidiaries. Investments in certain minor foreign subsidiaries, as well as 50-percent-or-less owned companies, are stated at cost plus equity in undistributed earnings since acquisition. Net assets outside the United States (including non-consolidated subsidiaries) comprise approximately 13 percent of the total in both 1976 and 1975 and are located principally in Canada. The following is a financial summary of consolidated foreign operations:

	1976	1975
Total assets	$55,539,000	$49,628,000
Less total liabilities	30,912,000	28,009,000
Net assets	$24,627,000	$21,619,000
Net sales	$81,177,000	$70,671,000
Net earnings	$ 3,721,000	$ 2,717,000

Exchange gains and losses were immaterial in both 1976 and 1975.

All significant intercompany transactions have been eliminated.

Inventories: Inventories are stated at the lower of cost or market. The majority of inventories are based upon standard costs which approximate average costs.

Depreciation and Amortization: The Company and its subsidiaries provide for depreciation of plant and equipment using the straight-line method over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on the straight-line method over the lives of the leases or the estimated useful lives, whichever is less. Depreciation and amortization charged to operations amounted to $11,269,000 in 1976 and $9,706,000 in 1975.

Maintenance and Repairs: Costs of maintenance and repairs are charged to operations. Costs of renewals and betterments, where significant in amount, are capitalized and deductions are made for retirements resulting from the renewals or betterments. Any gain or loss on the sale or disposition of such assets is credited or charged to earnings.

Research and Development: Research and development expenditures are charged to operations as incurred and amounted to $22,599,000 in 1976 and $21,203,000 in 1975.

Earnings per Share: Earnings per share of common stock are calculated by dividing net earnings by the weighted average number of common shares outstanding (7,825,000 shares in 1976 and 7,705,000 shares in 1975).

2. Acquisitions

In September 1976, the Company acquired Mission Coatings, Incorporated, a manufacturer of specialty chemical coatings, for 12,632 shares (note 5) of the Company's common stock. The acquisition was accounted for as a pooling of interests. Financial statements of prior periods have not been restated since the effects are not material.

The Company acquired, as of July 1, 1975, the common stock of The Ceilcote Company, a leading supplier of corrosion control materials and specialty pollution control equipment, for 172,042 shares of the Company's common stock. The acquisition was accounted for as a purchase.

Had the acquisition of The Ceilcote Company taken place as of January 1, 1975, the pro forma 1975 combined net sales, net earnings and earnings per share would have been $557,487,000, $25,250,000 and $3.24, respectively.

3. Income Taxes

The Company has provided for income taxes as follows:

	1976	1975
Current:		
Federal	$21,127,000	$14,609,000
Foreign	1,761,000	2,706,000
State and local	4,162,000	3,371,000
	27,050,000	20,686,000
Deferred (principally Federal)	2,277,000	1,156,000
Total Taxes	$29,327,000	$21,842,000

A reconciliation of income tax expense to the U.S. statutory rate of 48 percent follows:

United States income tax at statutory rate	$29,116,000	$22,259,000
State and local taxes, net of Federal benefit	2,322,000	1,826,000
Investment tax credits	(1,310,000)	(1,144,000)
All other items, none of which exceeded 5% of computed tax	(801,000)	(1,099,000)
Total Taxes	$29,327,000	$21,842,000

Investment tax credits are accounted for by the flow-through method for both financial and income tax purposes.

Undistributed earnings of certain consolidated and non-consolidated affiliates are not expected to be paid to the Company as dividends, since future investment requirements are in excess of these earnings. However, if such earnings were remitted, the applicable income taxes payable would not be significant.

Deferred income taxes result primarily from the use of different methods for financial and tax purposes in recording depreciation, long-term construction contract revenues and deferred compensation.

Current and non-current deferred tax liabilities amounted to $3,302,000 and $5,915,000 in 1976 and $2,864,000 and $5,022,000 in 1975.

4. Long-Term Debt

The Company has outstanding $40,000,000 of Sinking Fund Debentures maturing in 1999 and accruing interest at 8.875 percent per annum. An annual mandatory sinking fund of $2,700,000 begins in 1985. The Debentures are redeemable at any time at the option of the Company; however, no redemption may be made prior to May 1, 1984, using monies borrowed at less than 8.875 percent interest cost per annum. The Debentures are callable at prices ranging from 107.99 percent of the principal amount in 1977 to 100.44 percent in 1993 and 100 percent thereafter.

There were no borrowings under the Company's $15,000,000 revolving credit and term loan agreement during 1976 and 1975. In July 1976, the Company terminated this agreement.

5. Capital Stock

Common Stock: On April 21, 1969, the par value of the Company's common stock was changed from $6.67 to $1.00. The common shares outstanding (1,959,559) at April 18, 1969, are carried at a stated value of $6.67 per share, aggregating $13,070,259, while shares issued subsequent to that date are carried at the par value of $1.00 per share.

Treasury Stock: Transactions during 1976 and 1975 are as follows:

	1976	1975
Balance at beginning of year	40,054	39,084
Common stock issued for acquired company (note 2)	(12,632)	—
Common stock issued to the Company's Savings and Stock Ownership Trust	(5,584)	—
Common stock issued under the Company's Incentive Compensation Plan	(206)	(30)
Treasury stock acquired	—	1,000
Balance at end of year	21,632	40,054

6. Stock Option Plans

Under a stock option plan approved by stockholders on April 16, 1971, and amended on April 18, 1975, options may be granted to key employees to purchase a maximum of 360,000 shares of the Company's common stock. Options granted under this plan may include options which can be exercised, in whole or in part, either as qualified or as nonqualified options, at the determination of the participant. Qualified options are exercisable over a five-year period from date of grant, and nonqualified options are exercisable over a ten-year period. The option price for the shares covered by each option is the fair market value on the date such option is granted.

No additional options may be granted under a 1959 plan, which terminated at the time the 1971 plan was adopted. At January 1, 1975, there were 5,300 shares under option pertaining to the 1959 plan, of which 4,800 shares were exercised and 500 shares were terminated in 1975.

At December 31, 1975, there were 4,990 shares reserved for stock options which were assumed by the Company upon acquisition of Mixing Equipment Co., Inc., all of which were exercised during 1976.

At December 31, 1976, 338,175 shares of common stock were reserved for issuance under the 1971 plan.

The following table summarizes the plans for 1976 and 1975:

	1976	1975
Shares under option at January 1, At prices ranging from $20.00 to $55.65	137,450	141,000
Options granted		
At $45.00	57,700	
At $33.00		8,500
Options exercised		
At prices ranging from $26.90 to $42.40	11,025	
At prices ranging from $24.68 to $27.85		5,500
Options terminated	14,150	6,550
Shares under option at December 31, At prices ranging from $20.00 to $55.65	169,975	137,450
Shares exercisable at December 31, At prices ranging from $20.00 to $55.65	95,279	92,925

7. Employee Benefit Plans

The Company and its subsidiaries have in effect a number of pension plans for salaried and hourly-paid employees. Cost of the plans charged to operations, including amortization of the past service costs over a period not exceeding 30 years, amounted to $6,806,000 in 1976 and $6,880,000 in 1975. The Company's policy is to fund accrued pension costs.

The effect of the Employee Retirement Income Security Act of 1974 along with other plan amendments and a change in actuarial assumptions, effective January 1, 1976, is not significant to the Company's pension costs, funding of pension costs or unfunded vested benefits.

The actuarially-computed value of vested benefits for all plans exceeded the total of balance sheet accruals and the market value of pension fund assets at the most recent valuation date by approximately $6,000,000.

Effective January 1, 1976, the Company established a Savings and Stock Ownership Plan for certain eligible employees. Under the plan, the Company makes regular monthly contributions equal to a fixed percentage of certain defined amounts contributed by employees. Company contributions amounting to $1,495,000 in 1976 were invested in shares of the Company's common stock. At December 31, 1976, there were 271,029 shares of common stock reserved for issuance under the plan.

8. Incentive Compensation Plan

The Company's incentive compensation plan provides for awards to officers and key employees in cash, common stock of the Company, or both. Payment of such awards may be made currently or deferred. The stockholder-approved plan limits the total amount which can be provided in any one year to ten percent of the amount by which net earnings (as defined in the plan) exceed five percent of average capital investment (as defined in the plan) during the year. At December 31, 1976, a total of 18,810 shares of common stock were reserved for issuance as deferred compensation.

9. Contingent Liabilities

The Company and its subsidiaries are defendants in various legal proceedings, the ultimate liability in respect of which cannot be determined at this time. The Company is of the opinion that such liability, to the extent not provided for through insurance or otherwise, will not have a material effect upon the Company's financial position.

Unaudited Notes to Financial Statements

A. Replacement Cost

The cumulative impact of inflation over a number of years has resulted in higher costs for replacement of existing plant and equipment; however, these increased costs have partially been offset by technological and design improvements which result in increasing the productivity of the newer asset additions.

The Company has historically been able to offset cost increases by increasing sales prices in an amount sufficient to maintain relatively constant gross profit percentages on sales.

Additional replacement cost information is available in the Company's Annual Report Form 10-K (a copy of which is available upon request).

B. Operations by Quarter for 1976 (Unaudited)

Gross profit for the four quarters of the year ended December 31, 1976, amounted to $43,016, $45,504, $43,132 and $48,744, respectively. Reference is made to Quarterly Data, appearing on page 22 of this annual report, for additional information concerning operations by quarter for 1976.

Report of Independent Certified Public Accountants

PEAT, MARWICK, MITCHELL & CO.
Certified Public Accountants
345 Park Avenue, New York, N. Y. 10022

The Board of Directors and Stockholders
General Signal Corporation:

We have examined the balance sheet of General Signal Corporation and consolidated subsidiaries as of December 31, 1976 and 1975 and the related statements of earnings, stockholders' equity and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of General Signal Corporation and consolidated subsidiaries at December 31, 1976 and 1975 and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Peat, Marwick, Mitchell & Co.

February 3, 1977

Directors and Officers

Directors	**Samuel A. Casey,** Chairman, Great Northern Nekoosa Corporation **F. Arnold Daum,** Senior Partner, Cahill Gordon & Reindel, Attorneys **Philip R. Fortune,** Chairman of the Executive Committee and Group Executive **Edward W. Franklin,** Vice President, Secretary and General Counsel **Fred H. Gordon, Jr.,** Chairman of the Executive Committee, Mixing Equipment Co., Inc., a unit of the Corporation **John P. Horgan,** Private investor **Harold J. Hudson, Jr.,** Chairman, General Reinsurance Corporation **Nathan R. Owen,** Chairman of the Board **Gardner D. Stout,** President-Emeritus, American Museum of Natural History **Harold A. Strickland, Jr.,** President **Gerald B. Zornow,** Chairman, Eastman Kodak Company
Officers	**Nathan R. Owen,** Chairman of the Board **Harold A. Strickland, Jr.,** President **Philip R. Fortune,** Chairman of the Executive Committee and Group Executive **Edward W. Franklin,** Vice President, Secretary and General Counsel **William J. Ball,** Vice President and Group Executive **Robert T. David,** Vice President-Finance **Paul Gibian,** Vice President and Group Executive **James F. Gormeley,** Vice President–Manufacturing **William H. Gostlin,** Vice President–Employee Relations **John T. Rossello,** Vice President and Group Executive **Albert W. Buesking,** Controller **Niall C. FitzPatrick,** Treasurer

Transfer Agent and Registrar
Marine Midland Bank-New York

Auditors
Peat, Marwick, Mitchell & Co.,
New York, New York

Listings
General Signal Corporation common stock is listed and traded on the New York and Pacific Coast stock exchanges under the symbol GSX.

An Equal Opportunity Employer

United States and Canadian Operating Units

Environmental and Industrial Process Controls	Aurora Pump, *Aurora, Ill., Los Angeles, Calif. and Toronto, Ont.* BIF, *West Warwick, R.I., Largo, Fla. and Toronto, Ont.* Ceilcote, *Berea, Ohio, Houston, Tex. and Mississauga, Ont.* DeZurik, *Sartell, Minn., La Grange, Ga., McMinnville, Tenn. and Cambridge, Ont.* Greey Mixing Equipment Limited, *Toronto, Ont.* Kinney Vacuum, *Boston, Mass.* Marsh Instrument, *Skokie, Ill., Houston, Tex. and Edmonton, Alberta* Mixing Equipment, *Rochester, N.Y. and Wytheville, Va.* Perolin, *Wilton, Conn., Chicago, Ill., and Atlanta, Ga.,* Perolin-Bird Archer Ltd., *Cobourg, Ont.*
Transportation Controls	Axel Electronics, *Jamaica, N.Y.* Cardion Electronics, *Woodbury, N.Y.* General Railway Signal, *Rochester, N.Y.* Henschel, *Amesbury, Mass.* New York Air Brake, *Watertown, N.Y.*
Life Safety and Building Controls	Cincinnati Time Recorder, *Cincinnati, Ohio* Edwards, *Norwalk, Conn., Pittsfield, Me. and Owen Sound, Ont.* O.Z./Gedney, *Terryville, Conn., Brooklyn, N.Y. and Shoemakersville, Pa.*
Mobile Equipment Controls and Components	Dynapower, Stratopower, *Watertown, N.Y.* Hydreco, *Kalamazoo and Sterling Heights, Mich.* Metal Forge, *Columbus, Stryker and Deshler, Ohio*
Home Appliances	General Signal Appliances, *Welland, Ont.* G.S. Electric, *Carlisle, Pa.* Regina, *Rahway, N.J.*

International and other Operations

Algemene Sein Industrie B.V., *Utrecht, Netherlands*
Ceilcote Ingenieros en Corrosion, S.A. de C.V., *Naucalpan, Mexico*
Ceilcote Korrosionstechnik GmbH, *Biebesheim/Rhein, Germany*
Ceilcote Pty. Ltd., *Devonport, Australia*
Ceilcote U.K. Limited, *Sussex, England*
Cincinnati Time Recorder Co. of Australia Pty. Limited, *Sydney*
DeZurik, *Cramlington, England*
DeZurik of Australia Pty. Ltd., *Sunbury*
DeZurik-France S.A.R.L., *Dampierre*
DeZurik-Mexico, S.A. de C.V., *Mexico City*
GEC-General Signal Ltd., *London, England*
General Railway Signal Company de Argentina, S.A., *Buenos Aires*
G.R.S. de Mexico, S.A., *Mexico City*
Hamworthy Hydraulics Limited, *Poole, England*
Lightnin Belgium S.A., *Frameries*
Lightnin Mixers Limited, *Poynton, England*
Lightnin Mixers Pty. Limited, *Stanmore, Australia*
The Perolin Company, GmbH, *Hamburg, Germany*
The Perolin Company Ltd., *London, England*
Perolin Italiana S.p.A., *Genoa, Italy*
Perolin Nippon, Ltd., *Yokohama, Japan*
Perolin Benelux, B.V., *Rotterdam, Netherlands*

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